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OF COUNSEL
WILLIAM G. CONLY

December 22, 2006

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, and Hosston
Formation, Reservoir A, BETHANY-LONGSTREET
FIELD, DeSoto Parish, Louisiana.

Dear Sir:

BEUSA ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, and to the Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana:

1. To create two (2) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir A, such units being shown on an attached plat and being designated CV RA SU79 and CV RA SU86.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Bidas Energy USA, Inc., as operator of the proposed additional units.
4. To designate the Bidas Energy USA, Inc.--Burford et al. 17 No. 1 Well as the unit well for proposed unit CV RA SU79; and to designate the Bidas Energy USA, Inc.--Jones et ux 20 No. 1 Well, located as shown on an attached plat, as the unit well for proposed unit CV RA SU86, in exception to the spacing provisions of Office of Conservation Order No. 289-J, effective March 1, 1974.
5. To designate Bidas Energy USA, Inc., as operator of HOSS RA SU87, and its Jones et ux 20 No. 1 Well, located as shown on an attached plat, as the unit well for HOSS RA SU87, in exception to the spacing provisions of Office of Conservation Order No. 289-A-g-3, effective October 7, 1977.
6. To permit Applicant to combine downhole production from the Cotton Valley Formation, Reservoir A, with production from the Hosston Formation, Reservoir A, in any well drilled on the additional units proposed herein in which the ownership interests in the Cotton Valley and Hosston units is identical.
7. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 289-J, effective March 1, 1974, as amended and supplemented by the Order No. 289-J series of Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir A.
8. To discuss such other matters as may be pertinent.

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The Cotton Valley Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289-J, effective March 1, 1974, and was further defined in Office of Conservation Order No. 289-J-1, effective April 14, 1977. The Hosston Formation, Reservoir A, in the Bethany-Longstreet Field, DeSoto Parish, Louisiana, was initially defined in Office of Conservation Order No. 289, effective October 1, 1954, and was further defined in Office of Conservation Order No. 289-A-g-2, effective April 14, 1977.

Pertinent data concerning this application is available for inspection at the offices of Louis Gilbert & Associates, Inc., 3636 N. Causeway Boulevard, Suite 204, Metairie, Louisiana 70002-7216. Any person wishing to inspect such data should call Mr. Louis Gilbert at (504) 834-8112 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

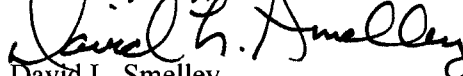
By letter dated December 11, 2006, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set January 5, 2007, as the tentative date for the pre-application conference. No conference request was received within ten (10) days after the date of the pre-application notice; accordingly, no pre-application conference will be held.

Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of the two unit plats (which are identical to the unit plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Bethany-Longstreet Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,


David L. Smelley
Attorney for Beusa Energy, Inc.

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Ms. Linda McGowen (w/encls.)
Mr. Louis Gilbert (w/encls.)
Mr. Al Ruffin (w/encls.)
Interested Owners, Represented Parties
and Interested Parties (w/plats only)

